



REGULAR MEETING

OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE CITY OF SOUTH SAN FRANCISCO REDEVELOPMENT AGENCY

P.O. Box 711 (City Hall, 400 Grand Avenue)
South San Francisco, California 94083

CITY HALL
LARGE CONFERENCE ROOM, TOP FLOOR
400 GRAND AVENUE

TUESDAY, APRIL 15, 2014
2:00 P.M.

PEOPLE OF SAN MATEO COUNTY

You are invited to offer your suggestions. In order that you may know our method of conducting Board business, we proceed as follows:

The regular meetings of the South San Francisco Oversight Board for the Successor Agency to the City of South San Francisco Redevelopment Agency are held on the third Tuesday of each month at 2:00 p.m. in the in the Large Conference Room, Top Floor at City Hall, 400 Grand Avenue, South San Francisco, California.

In accordance with California Government Code Section 54957.5, any writing or document that is a public record, relates to an open session agenda item, and is distributed less than 72 hours prior to a regular meeting will be made available for public inspection in the City Clerk's Office located at City Hall. If, however, the document or writing is not distributed until the regular meeting to which it relates, then the document or writing will be made available to the public at the location of the meeting, as listed on this agenda. The address of City Hall is 400 Grand Avenue, South San Francisco, California 94080.

In compliance with Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the South San Francisco City Clerk's Office at (650) 877-8518. Notification 48 hours in advance of the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

Chairperson:

Neil Cullen

Selected by:

Largest Special District of the type in H&R
Code Section 34188

Vice Chair:

Patti Ernsberger
Assistant Superintendent, Business Services
South San Francisco Unified School District
Alternate: Alejandro Hogan
Superintendent, South San Francisco Unified School District

Selected by:

San Mateo County Superintendent of Schools

Board Members:

Mark Addiego
Councilmember, City of South San Francisco

Barbara Christensen
Director of Community/Government Relations,
San Mateo County Community College District

Reyna Farrales
Deputy County Manager, San Mateo County

Paul Scannell

Selected by:

Mayor of the City of South San Francisco

Chancellor of California Community College

San Mateo County Board of Supervisors

San Mateo County Board of Supervisors
(Public Member)

Counsel

Craig Labadie

Advisory:

Jim Steele – Finance Director, City of South San Francisco
Robin Donoghue – Interim General Counsel, Successor Agency of the City of South San Francisco
Krista Martinelli – City Clerk, City of South San Francisco
Armando Sanchez – Redevelopment Consultant, City of South San Francisco

CALL TO ORDER

ROLL CALL

PLEDGE OF ALLEGIANCE

AGENDA REVIEW

COMMUNICATIONS FROM STAFF

PUBLIC COMMENTS

Comments from members of the public on items not on this meeting agenda. The Chair may set time limit for speakers. Since these topics are non-agenda items, the Board may briefly respond to statements made or questions posed as allowed by the Brown Act (Government Code Section 54954.2). However, the Board may refer items to staff for attention, or have a matter placed on a future agenda for a more comprehensive action report.

MATTERS FOR CONSIDERATION

1. Motion to approve the Minutes of the Regular Meeting of February 18, 2014.
2. Study Session: Update on property disposition efforts for former Ford properties. (Armando Sanchez, Housing Consultant)
3. Resolution approving a License Agreement PG&E to temporarily use a vacant property on Antoinette Lane for a contractor office, a staging area and employee parking. (Pat O'Keefe, Economic and Community Development Consultant)
4. Future Agenda Items.
 - a) Consideration of revenue sharing agreement related to assignment of the Master Commercial Lease at 636 El Camino Real.

ADJOURNMENT



MINUTES REGULAR MEETING

DRAFT

OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE CITY OF SOUTH SAN FRANCISCO REDEVELOPMENT AGENCY

P.O. Box 711 (City Hall, 400 Grand Avenue)
South San Francisco, California 94083

CITY HALL
LARGE CONFERENCE ROOM, TOP FLOOR
400 GRAND AVENUE

TUESDAY, FEBRUARY 18, 2014
2:00 P.M.

CALL TO ORDER

Time: 2:06 p.m.

ROLL CALL

Present: Boardmembers Addiego, Beaudin,
Christensen, Scannell, Vice Chair Ernsberger
and Chairperson Cullen.

Absent: Boardmember Farrales.

PLEDGE OF ALLEGIANCE

Led by Boardmember Scannell.

AGENDA REVIEW

None.

COMMUNICATIONS FROM STAFF

None.

PUBLIC COMMENTS

None.

PUBLIC COMMENTS

Comments from members of the public on items not on this meeting agenda. The Chair may set time limit for speakers. Since these topics are non-agenda items, the Board may briefly respond to statements made or questions posed as allowed by the Brown Act (Government Code Section 54954.2). However, the Board may refer items to staff for attention, or have a matter placed on a future agenda for a more comprehensive action report.

MATTERS FOR CONSIDERATION

1. Motion to approve the Minutes of the Special Meeting of November 12, 2013 and the Regular Meeting of November 19, 2013.

Motion- Boardmember Addiego/Second- Boardmember Christensen- to approve the Minutes of the Special Meeting of November 12, 2013 and Regular Meeting of November 19, 2013 as amended. Approved by the following voice vote: AYES: Boardmembers Addiego, Beaudin, Christensen, Scannell, Vice Chair Ernsberger and Chair Cullen; NOES: None; ABSTAIN: None; ABSENT: Boardmember Farrales.

2. Resolution approving a Recognized Obligation Payment Schedule (ROPS) and Administrative Budget for the period from July through December 2014, pursuant to Health & Safety Code Section 34177(j) & (l).

In regards to the ROPS period from July through December 2014, Finance Director Steele proceeded to highlight certain items for the Board's attention. This period included another biennial deposit of \$3 million into an escrow account for the Oyster Point Ventures Development Agreement. After this deposit there would be \$21 million accrued. This deposit would be the largest item on the ROPS besides debt service. Property disposition costs would also be incurred with the anticipated approval of the Long Range Property Management Plan.

Consultant Sanchez added that there were 3 properties- 232 Baden Avenue, 216 Miller Avenue and 238 Linden Avenue- that would be the responsibility of the Successor Agency to sell.

Finance Director Steele brought to the Board's attention that in the last six months there were excess funds of \$1.85 million in the bond retirement escrow account. These dollars were freed up to be used so that debt service funds would be covered almost entirely and thus negating the need for more RPTTF monies.

Motion- Boardmember Addiego/Second- Boardmember Christensen- to approve Resolution 1-2014. Approved by the following voice vote: AYES: Boardmembers Addiego, Beaudin, Christensen, Scannell, Vice Chair Ernsberger and Chair Cullen; NOES: None; ABSTAIN: None; ABSENT: Boardmember Farrales.

3. Future Agenda Items.
 - a) Consideration of revenue sharing agreement related to assignment of the Master Commercial Lease at 636 El Camino Real.
 - b) Resolution approving a License Agreement between the City of South San Francisco Successor Agency to the Redevelopment Agency and Pacific, Gas & Electric (PG&E) to use a vacant site on Antoinette Land (APN 093-312-050) as a contractor office, a staging area, and employee parking for the replacement of a 30 inch gas pipeline in South San Francisco. For the period of May 1st to December 31, 2014.

ADJOURNMENT

Chairperson Cullen adjourned the meeting at 2:28 p.m.

Submitted:



Kathryn Reodica, Deputy Clerk
Oversight Board for the Successor
Agency to the South San Francisco
Redevelopment Agency

Approved:

Neil Cullen, Chairperson
Oversight Board for the Successor
Agency to the South San Francisco
Redevelopment Agency



Redevelopment Successor Agency Oversight Board Staff Report

DATE: April 15, 2014
TO: Members of the Oversight Board
FROM: Patrick O’Keeffe, Economic & Community Development Consultant
SUBJECT: DISPOSITION OF FORMER REDEVELOPMENT AGENCY
DOWNTOWN PROPERTIES

RECOMMENDATION

It is recommended that the Oversight Board review information on the disposition of the former Redevelopment Agency’s Downtown Properties (Ford and Grand/Cypress Parcels).

BACKGROUND

In an effort to take advantage of favorable development conditions, staff has met with housing developers and a hotel operator that expressed interest in developing the former Ford properties (see Exhibit A) and the properties at Grand and Cypress Avenues. Staff undertook these efforts to identify potential developers for the properties *and* to take steps encouraging the State Department of Finance (DOF) to complete its review of the Successor Agency’s Long-Range Property Management Plan (LRPMP). Immediately upon the Oversight Board’s approval of the LRPMP, staff submitted the plan to DOF which they are currently reviewing.

In this report, staff summarizes progress on discussions with the developers and provides information that has been presented to the Successor Agency regarding potential disposition of the properties. This information is being shared with the Oversight Board in advance of any disposition agreement that may be presented to the Successor Agency so that the Oversight Board is up to speed on what is being considered. Once developers are selected for negotiations, it will be necessary for the Successor Agency to enter into Exclusive Negotiating Rights Agreements (ENRA) which will need to be approved by the Oversight Board and DOF. No action can be taken to implement the ENRA until the LRPMP is approved, but staff is hoping that sending ENRA’s to DOF will hasten the approval process.

Another important factor affecting the proposed developments is that the densities and heights proposed for the Ford and Grand-Cypress properties are contingent upon the City’s adoption of the Downtown Station Area Plan (DSAP). As noted in the LRPMP, the City is adopting the DSAP to encourage long-term development that is transit-supportive. By adopting higher density and design standards that promote transit-oriented development, the City will be able to guide future development that create an environment where people have convenient access to the goods and services and their places of employment or homes. Staff estimates that the City will adopt the DSAP in September 2014.

Ford Property Development

The former Ford properties (as described in Table 1 below and Exhibit A) consist of six properties totaling approximately 2.18 acres.

Table 1

<i>LRPMP Site No.</i>	<i>Address</i>	<i>Acres</i>
22	315 Airport Boulevard	0.51
23	401 Airport Boulevard	0.26
24	411 Airport Boulevard	0.26
25	421 Airport Boulevard	0.52
26	405 Cypress Avenue	0.17
27	216 Miller Avenue	0.40

Staff met with the three interested developers to discuss their qualifications, experience, access to capital and their development plans for the sites. The interested residential developers are Thompson-Dorfman and a partnership consisting of Sares-Regis and Roger Stuhlmuller. The hotel operator/developer was BPR Properties. The City Council reviewed the preliminary development plans for the Ford properties and determined that a residential development was more appropriate for the Ford sites. Accordingly, the City Council directed staff to continue discussion with Thompson-Dorfman and Sares-Regis. The proposed project will yield 245 to 266 units (see attached concept plans from each developer). Later this month, the City Council/Successor Agency Board will evaluate the proposals and recommend to the Oversight Board that it approves an ENRA with one of the residential developers for submittal to DOF.

Grand-Cypress Property Development

As currently configured, the Grand-Cypress properties (as described in Table 2 below and Exhibit B) consist of four properties totaling approximately 20,200 square feet.

Table 1

<i>LRPMP Site No.</i>	<i>Address</i>	<i>Square Feet</i>
15	201 Grand Avenue	6,200
16	207 Grand Avenue	3,500
17-18	217-219 Grand Avenue	10,500

The City Council considered several development proposals from Brookwood Group for various City and Successor Agency owned sites. The Council determined that Brookwood's proposal for Grand-Cypress would bring a meaningful 37-unit development to the Downtown (see attached concept plans). The Council also believes that having affordable and market rate units at that site would be important. Accordingly, the Council directed staff to negotiate and prepare an ENRA between the City and Brookwood Group to entitle the project and commit affordable housing funds to make 20% of the units affordable. By working collaboratively with the developer, the City will ensure that this small infill site becomes financially feasible. The City Council, acting as the Successor Agency Board, will make a recommendation to the Oversight Board that it approves an ENRA with Brookwood Group for the Grand-Cypress site.

Compliance with LRPMP and Benefits to the Taxing Agencies

As envisioned in the LRPMP, the combined projects have the potential to create close to 300 units with a valuation of \$120 million. In addition to the sales revenue (yet to be negotiated), the properties

will generate over \$1.2 million in property tax revenue annually for the taxing agencies. To achieve this, it is crucial that the City, Oversight Board and DOF make these properties available while the residential market is conducive to development. Upon City Council review, staff will bring ENRAs for these properties to the Oversight Board for its approval and submittal to DOF.

CONCLUSION:

It is recommended that the Oversight Board review information on the disposition of the former Redevelopment Agency's Downtown Properties.

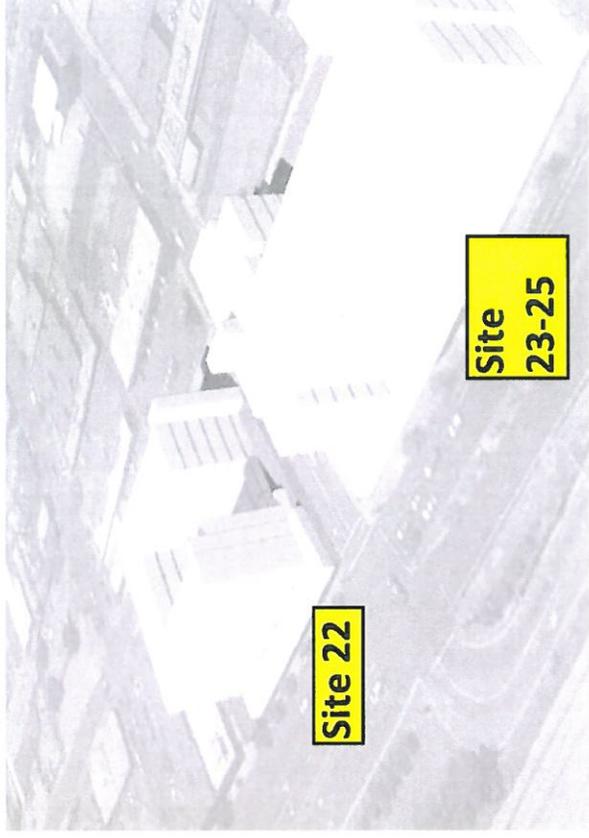
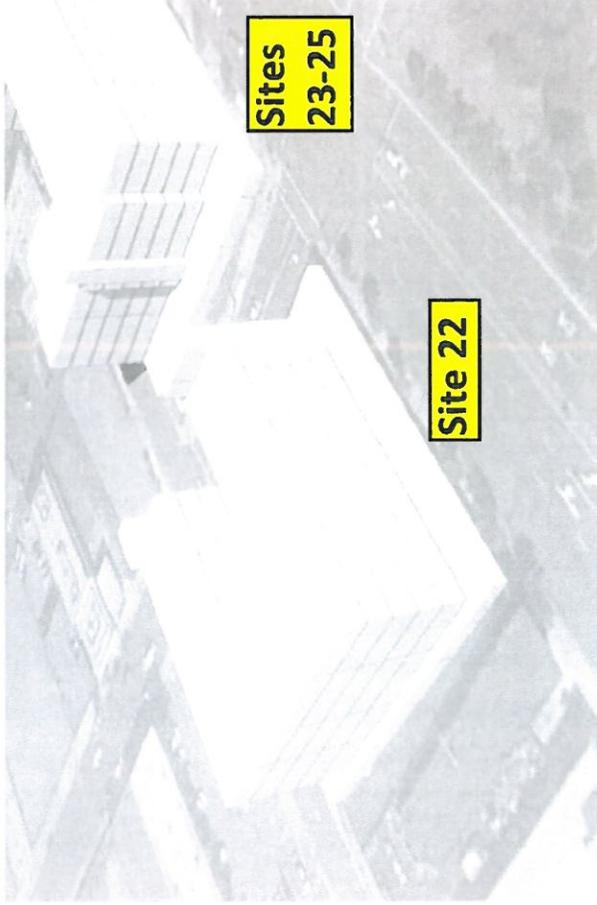
By: 
Patrick O'Keeffe
Economic and Community
Development Consultant

Approved: 
Mike Futrell
City Manager

Attachments: Exhibit A - Ford Properties Map
Exhibit B - Grand-Cypress Properties
Exhibit C - Development concept plans for Ford Properties
Exhibit D - Development concept plans for Grand-Cypress Properties

Exhibit C

Thompson-Dorfman Proposal



Sites 26-27 not shown

Stuhlmuller/Sares-Regis Proposal

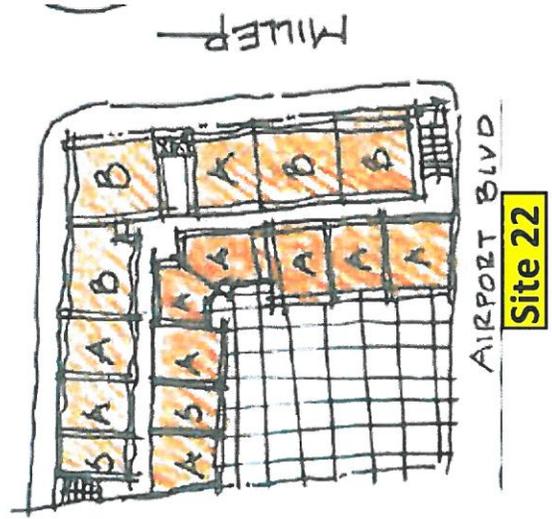
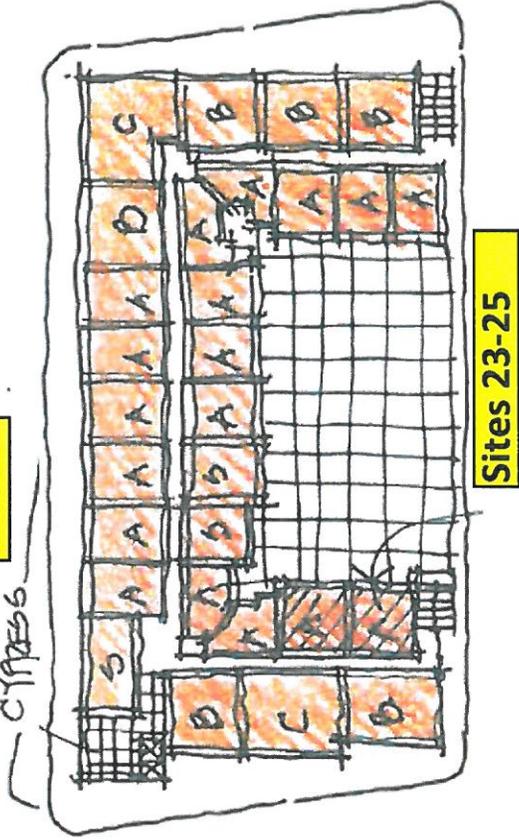


Exhibit D - Grand-Cypress

LOT AREA: 20,200 SF

FAR: 3.0 (ABOVE GRADE PARKING INCLUDED, I.E. NOT EXEMPT)

MAX. ALLOWABLE: 3.0 X 20,200 SF = 60,600 SF

GROSS AREA SUMMARY:

	AREA (SF)	REMARKS
G	19,287	8,000 SF RETAIL 880 PUBLIC OPEN SPACE
2	14,267	5,350 SF PODIUM OPEN SPACE
3	13,967	
4	12,067	
TOTAL	59,588	59,588 SF / 20,200 SF = 2.95 F.A.R.

UNIT SUMMARY:

	1	1+	2	2+	TOTAL
G	0	0	0	0	0
2	2	5	1	6	14
3	2	5	0	5	12
4	1	5	0	5	11
TOTAL	5	15	1	16	37

PARKING SUMMARY:

RETAIL: 0 STALLS PROVIDED
RESIDENTIAL: 49 + 1 H.C. STALLS PROVIDED



Brookwood Group

gouldevans

PROJECT DATA

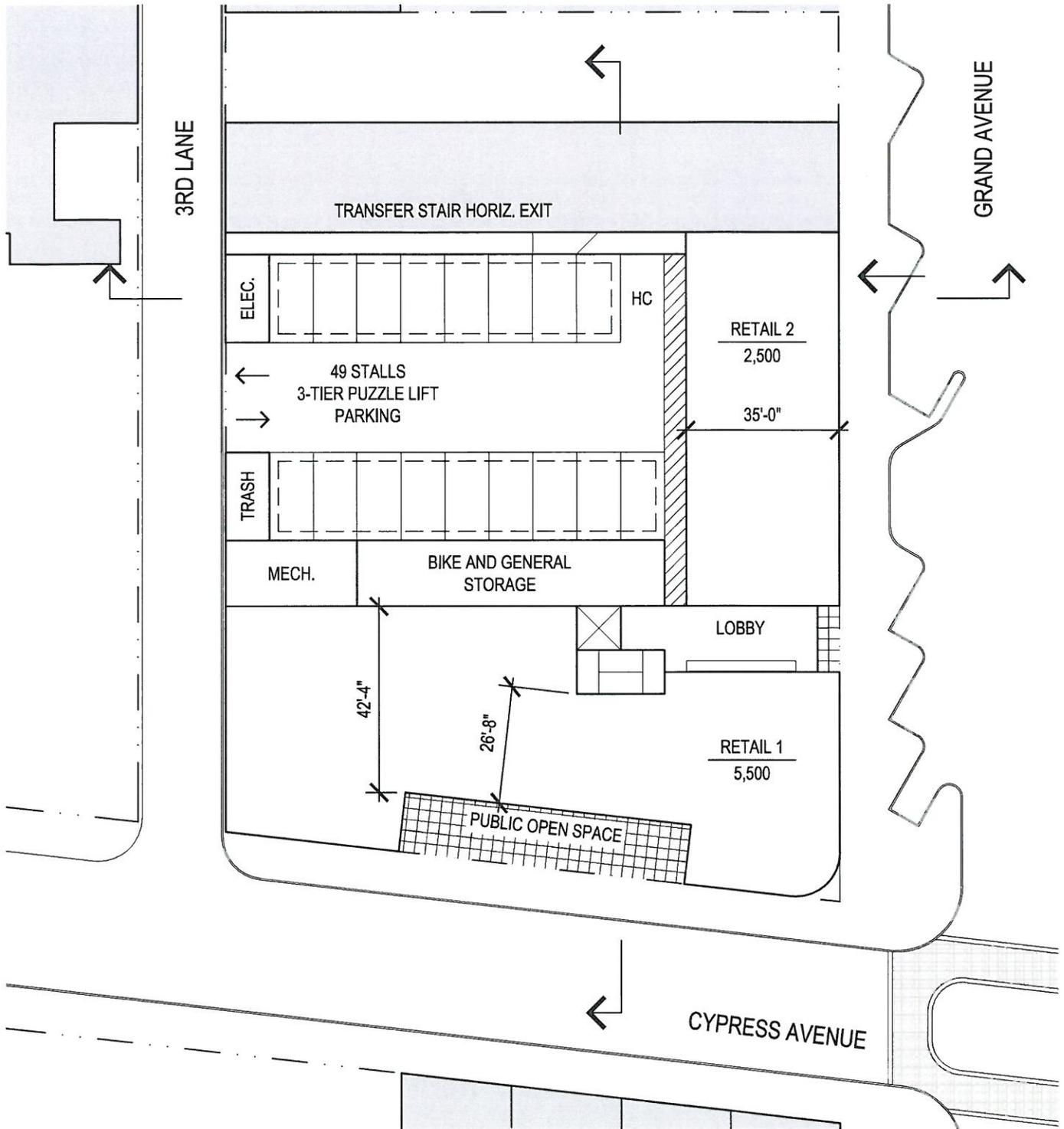
SCHEME 1

CYPRESS GRAND MIXED USE

SOUTH SAN FRANCISCO, CA

CONCEPTUAL PRESENTATION

DECEMBER 12, 2012



Brookwood Group
gouldevans

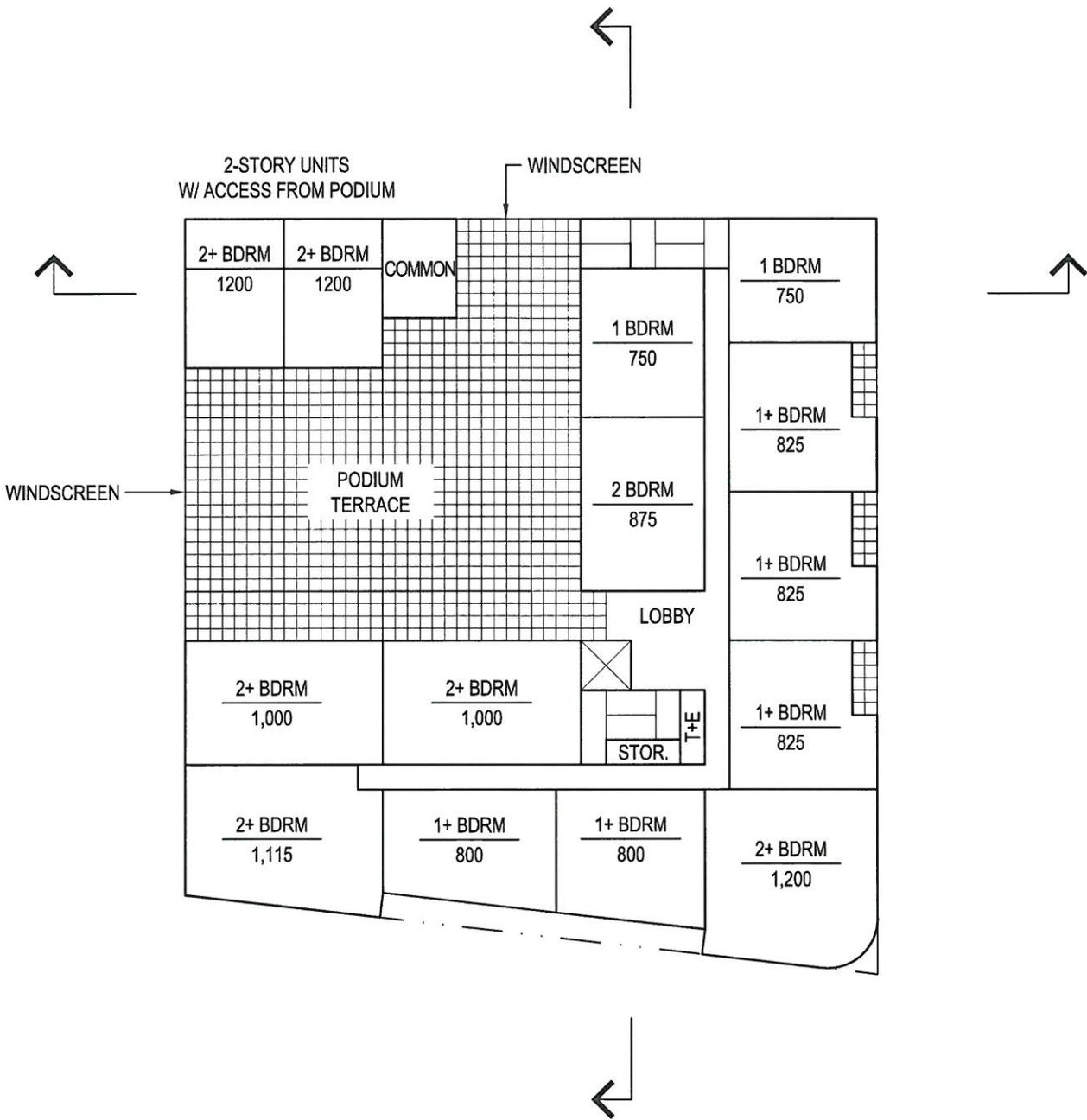
GROUND LEVEL

SCHEME 1

CYPRESS GRAND MIXED USE

SOUTH SAN FRANCISCO, CA
 CONCEPTUAL PRESENTATION
 DECEMBER 12, 2012

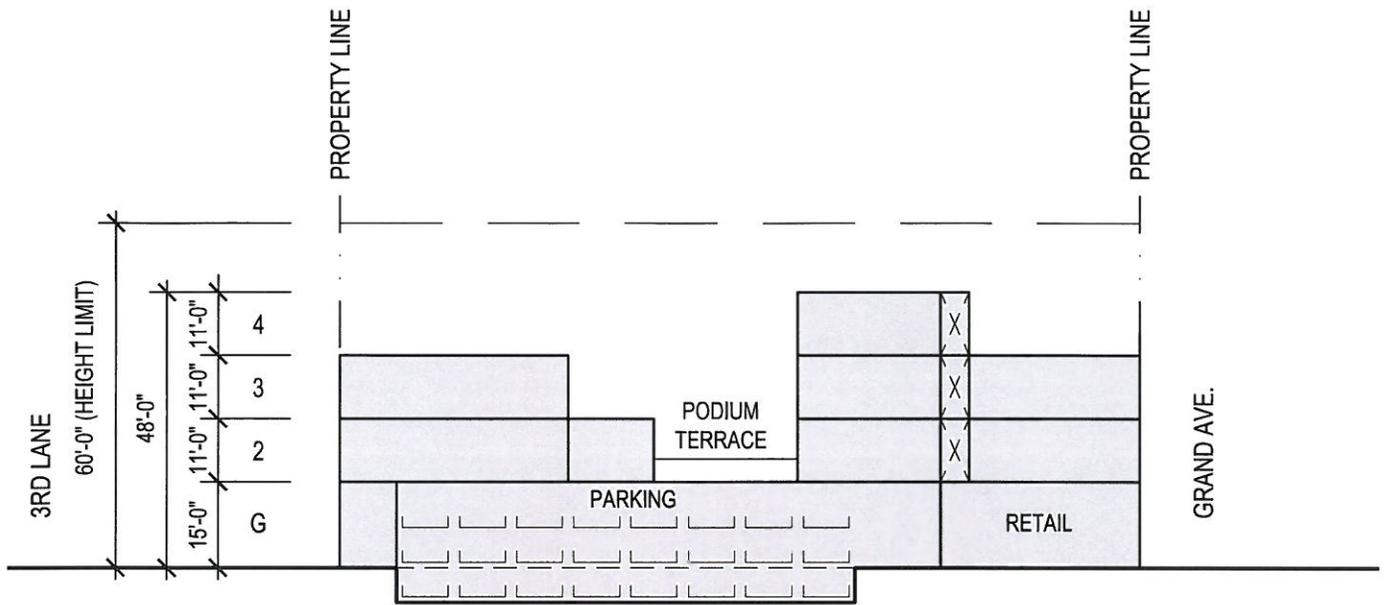




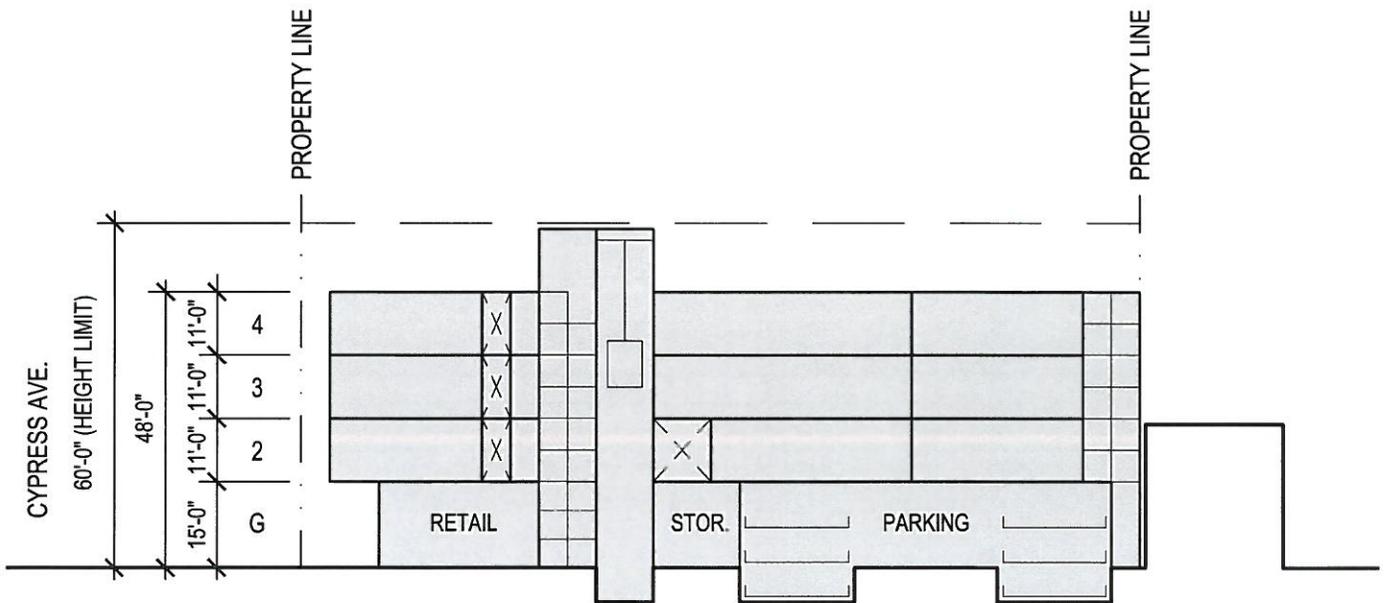
Brookwood Group
gouldevans

FLOOR 2 (3 SIM.)
SCHEME 1
CYPRESS GRAND MIXED USE
SOUTH SAN FRANCISCO, CA
CONCEPTUAL PRESENTATION
DECEMBER 12, 2012





NORTH-SOUTH SECTION



EAST-WEST SECTION



Brookwood Group
gouldevans

SECTIONS

CYPRESS GRAND MIXED USE
SOUTH SAN FRANCISCO, CA
CONCEPTUAL PRESENTATION
DECEMBER 12, 2012





Redevelopment Successor Agency Oversight Board Staff Report

DATE: April 15, 2014

TO: Chair and Oversight Board Members

FROM: Patrick O’Keeffe, Economic and Community Development Consultant

SUBJECT: APPROVAL OF A LICENSE AGREEMENT ALLOWING PACIFIC GAS AND ELECTRIC (PG&E) TO TEMPORARILY USE A VACANT PROPERTY ON ANTOINETTE LANE FOR A CONTRACTOR OFFICE, STAGING AREA AND EMPLOYEE PARKING

RECOMMENDATION

It is recommended that the Oversight Board adopt a resolution approving a License Agreement with Pacific Gas & Electric (PG&E) to temporarily use the vacant site on Antoinette Lane as a contractor office, staging area and employee parking from June 1, 2014 through December 31, 2014.

BACKGROUND/DISCUSSION

The former Redevelopment Agency acquired the Public Utilities Commission (PUC) properties at El Camino Real and Chestnut Avenue. These parcels will be disposed of pursuant the Successor Agency’s Long Range Property Management Plan after approval of the Plan by the State. In the meantime, the City has received a request from PG&E to use a portion of the property as a temporary contractor office, staging area and employee parking (See Exhibit B in the License Agreement) for the Line 132 gas pipeline replacement project. The purpose of this item is for the Oversight Board to consider approval of a license agreement for PG&E staff and contractors to use the vacant, unimproved property on Antoinette Lane, totaling 72,200 square feet. PG&E is proposing to use the vacant property from June 1, 2014 through December 31, 2014. Should PG&E need additional time to complete their project, an option to extend the lease for two months has been added.

PG&E is requesting use of the site in order to construct an important upgrade to the existing gas pipeline system on the San Francisco Peninsula. In 2010, a portion of Line 132 was responsible for the destruction of a neighborhood in San Bruno. After the disaster, PG&E was tasked with surveying, inspecting and upgrading the pipeline along the entire route. In South San Francisco, the pipeline is located from San Bruno to Colma, generally following El Camino Real, Antoinette Lane and Mission Road. In 2011, PG&E inspected the pipeline and found leaks in the pipe on Antoinette Lane and on Mission Road, between Colma Creek to Lawndale Drive. In 2011 and 2012, PG&E made a combination of temporary repairs and temporary pipeline replacement for segments of the pipe so that South San Francisco residents could receive gas service during the winter months. The proposed project would be a permanent replacement to the existing pipeline. PG&E plans to remove the existing temporary pipeline on Antoinette Lane and Mission Road and replace it with a new 30-inch pipeline. PG&E’s staff and contractors would use the staging area to complete work on the gas pipeline south of Chestnut Avenue.

Long Range Property Management Plan

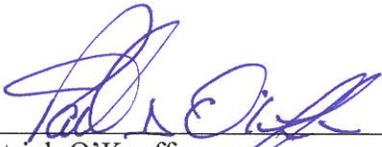
In November 2013, the Oversight Board approved the Long Range Property Management Plan (LRPMP), which includes the subject site. It is anticipated that the site will be marketed and developed for transit-oriented residential uses. The process will take at least one year. The proposed use of the property is temporary and would upgrade a gas line that serves residents in South San Francisco and the San Francisco Peninsula. The proposed use would not impede the goals of the Oversight Board to develop the area as approved in the LRPMP.

Proposed Rent

PG&E has agreed to pay a monthly rent of \$9,386.00 for the use of site as a construction office, staging area and employee parking. The rent is based on comparable rents of similar temporary uses in South San Francisco's industrial and commercial areas, which is estimated to be \$0.13 per square foot for unimproved vacant land. The rent for the vacant and unimproved site on Antoinette Lane is the same as the rent paid by PG&E in 2012 for a similar unimproved vacant site on Mission Road.

CONCLUSION

On March 12, 2014, the Successor Agency Board, by a unanimous vote, approved the attached draft License Agreement for its staff and contractors to use a vacant and unimproved site on Antoinette Lane from June 1, 2014 through December 31, 2014 (See Exhibit B in the License Agreement). The Successor Agency Board recommends that the Oversight Board adopt a resolution approving the attached License Agreement with Pacific Gas & Electric.

By: 
Patrick O'Keeffe
Economic and Community
Development Consultant

Approved: 
Mike Futrell
City Manager

Attachments:

1. Resolution
2. Draft License Agreement, with Exhibits

RESOLUTION NO. ____

OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY OF SOUTH SAN FRANCISCO

RESOLUTION APPROVING A LICENSE AGREEMENT WITH
PACIFIC GAS & ELECTRIC, A CALIFORNIA
CORPORATION, FOR VACANT, UNIMPROVED SITE ON
ANTOINETTE LANE (APN 93-312-050) IN SOUTH SAN
FRANCISCO

WHEREAS, on March 13, 2013, the City of South San Francisco (“**City**”) approved the transfer of, and the Successor Agency to the Redevelopment Agency of the City of South San Francisco (“**Successor Agency**”), approved the acquisition of, that certain real property consisting of a vacant, unimproved site on Antoinette Lane, identified as APN 093-312-050, in South San Francisco, California (“**Property**”); and

WHEREAS, in November 2013, Oversight Board adopted the Long Range Property Management Plan (“**LRPMP**”) for the Successor Agency, which includes the Property. The Property is part of the former PUC properties that are zoned according to a blend of development intensity as dictated by the El Camino Real/Chestnut Avenue Land Use Plan; and

WHEREAS, in January 2014, Pacific Gas & Electric Company (PG&E) submitted a letter to the Successor Agency and the Oversight Board staff requesting that the Successor Agency and the Oversight Board approve a License Agreement for a contractor office, staging area and employee parking on the Property for the period from June 1, 2014 through December 31, 2014, in order to facilitate an upgrade to PG&E’s existing gas pipeline system on the San Francisco Peninsula; and

WHEREAS, Successor Agency staff and PG&E’s representative have negotiated a proposed License Agreement; and

WHEREAS, the proposed use is temporary only and would not impede the goals of the Oversight Board to develop the Property as set forth in its approved LRPMP; and

WHEREAS, on March 12, 2014, the Successor Agency adopted a Resolution approving the License Agreement and authorizing its execution, and recommending that the Oversight Board approve the License Agreement; and

WHEREAS, the Oversight Board has considered the proposed License Agreement, which is for a term of seven months, with a two-month option for extension, at a duly-noticed public meeting; and

WHEREAS, Health and Safety Code Section 34179(e) requires that all actions taken by the Oversight Board shall be adopted by resolution.

NOW, THEREFORE, the Oversight Board does hereby resolve as follows:

1. The Recitals set forth above are true and correct, and are incorporated herein by reference.
2. The License Agreement between the Successor Agency and Pacific Gas & Electric for vacant, unimproved property on Antoinette Lane, attached, is hereby approved.
3. Staff is directed to transmit this Resolution and the License Agreement, and related information to the State Department of Finance in accordance with Assembly Bill x1 26, as modified by Assembly Bill 1484.

* * * * *

I hereby certify that the foregoing Resolution was regularly introduced and adopted by the Oversight Board for the Successor Agency to the Redevelopment Agency of the City of South San Francisco at a meeting held on the _____ day of April, 2014 by the following vote:

AYES: _____

NOES: _____

ABSTAIN: _____

ABSENT: _____

ATTEST: _____
City Clerk

LICENSE AGREEMENT

This License Agreement (this “**Agreement**” or “**License**”) is entered into effective as of June 1, 2014 (“**Effective Date**”) by and between the Successor Agency to the Redevelopment Agency of the City of South San Francisco, a public entity (the “**Successor Agency**”) and Pacific Gas and Electric Company, a California Corporation (the “**Licensee**”). Successor Agency and Licensee are hereinafter collectively referred to as the “**Parties**.”

RECITALS

A. Successor Agency is the owner of that certain real property located at Antoinette Lane, City of South San Francisco, known as San Mateo County Assessor’s Parcel No. 093- - 050 and more particularly described in Exhibit A attached hereto (the “**Property**”).

C. Licensee is engaged in a construction and repair project relating to the existing gas line project on land located adjacent to the Property, and desires to obtain a license from Successor Agency to use the Vacant Lot for a construction staging area, construction office, and employee and contractor parking, The portion of the Antoinette Lane Property for which a license is granted pursuant to this Agreement (the “**Licensed Premises**”) is described in Exhibit B attached hereto.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Grant of License; License Fee; No Leasehold or Property Rights Created. Successor Agency hereby grants to Licensee a revocable license to use the Licensed Premises solely for use as a construction staging area, construction office, and employee and contractor parking (collectively, the “**Permitted Activity**”), undertaken in compliance with the conditions of approval set forth in Exhibit D attached hereto and the Conditions of Use set forth in Section 4 below. Subject to adjustment pursuant to Section 2.1 below, on or before the first day of each calendar month during the term of this Agreement, Licensee shall pay to Successor Agency a fee (the “**License Fee**”) in the amount of Nine Thousand, Three Hundred and Eighty-Six Dollars (\$9,386.00) per month. For any partial month at the beginning or end of the term of this Agreement, the License Fee shall be prorated on the basis of a 30-day month. This Agreement is not intended to nor shall it be interpreted to create or vest in Licensee any leasehold or any other property rights or interests in the Property or the improvements located thereon, or any part thereof.

1.1 Late Charge. Licensee acknowledges that the late payment of the License Fee will cause Successor Agency to incur administrative costs and other damages, the exact amount of which would be impracticable or extremely difficult to ascertain. Licensee and Successor Agency agree that if Successor Agency does not receive any such payment within five (5) calendar days after such payment is due, Licensee shall pay to Successor Agency an amount equal to ten percent (10%) of the overdue amount as a late charge for each month or partial

month that such amount remains unpaid. The Parties acknowledge that this late charge represents a fair and reasonable estimate of the costs that Successor Agency will incur by reason of the late payment by Licensee, but the payment of such late charge shall not excuse or cure any default by Tenant under this Agreement. The Parties further agree that the payment of late charges pursuant to this Section 1.1 and the payment of interest pursuant to Section 1.2 are distinct and separate from one another in that the payment of interest is to compensate Successor Agency for the use of Successor Agency's money by Licensee, while the payment of a late charge is to compensate Successor Agency for the additional administrative expense incurred by Successor Agency in handling and processing delinquent payments, but excluding attorneys' fees and costs incurred with respect to such delinquent payments. Acceptance of any late fees and late charges shall not prevent Successor Agency from exercising any of the other rights and remedies available to Successor Agency under this Agreement for any other default by Licensee.

1.2 Interest. Any amount due from Licensee to Successor Agency which is not paid when due shall bear interest at the lesser of ten percent (10%) per annum or the maximum rate which Successor Agency is permitted by law to charge, from the date such payment is due until paid, but the payment of such interest shall not excuse or cure any default by Licensee under this Agreement.

2. Term of License. The term of the License and right of entry granted hereby, shall commence on the Effective Date and shall continue until December 31, 2014 (the "**Termination Date**") unless Successor Agency or Licensee terminate this Agreement pursuant to Section 3 below.

2.1 Extension of Term; License Fee During Extension Period. Upon written request by Licensee delivered to Successor Agency not later than thirty (30) days prior to the expiration of the initial term of this License, Licensee may request an extension of the term. Successor Agency will not withhold consent to an extension of the term for a period of up to two (2) additional months if Licensee reasonably requires such extension in order to complete construction activities on the adjacent property. The License Fee payable during each month during such extension shall be the sum of Nine Thousand, Three Hundred and Eighty-Six Dollars (\$9,386.00). All other terms and conditions of this Agreement shall apply during any extension of the term.

3. Termination of License.

3.1 Termination for Cause. Successor Agency may terminate or suspend this License by written notice to Licensee following Licensee's breach of its obligations under this Agreement if Licensee fails to cure any such breach within ten (10) days following written notice of default from the Successor Agency.

4. Conditions of Use. Licensee's right to enter upon and use the Licensed Premises is limited to the Permitted Activity (defined in Section 1 above) subject to compliance with all conditions of approval set forth in Exhibit D and all conditions set forth in this Section (collectively, the "**Conditions of Use**"). Without limiting the foregoing, Licensee agrees to comply with all of the following specific requirements:

a. Licensee shall be liable for any damage to the Property, or any part thereof, or any improvements located thereon, or any other property of the Successor Agency or the City of South San Francisco (“City”) or City right of way (collectively, “City Property”) that occurs as a result of this License and the use of the Licensed Premises, unless caused by the gross negligence or willful misconduct of the Successor Agency, the City, or their respective employees, agents or contractors. Any damage to the Property, the improvements located thereon, or City Property shall be immediately repaired to the satisfaction of Successor Agency or City, as applicable, at Licensee’s sole cost and expense.

b. Licensee shall not encroach on the public right of way adjacent to the Property

c. Licensee shall incorporate all storm water pollution control measures required by an approved storm water pollution prevention plan. Licensee shall employ adequate dust control measures to ensure that neighboring businesses and residences are not adversely impacted by Licensee’s activities on the Licensed Premises. Licensee shall comply with all Conditions of Use and with all state, federal and local laws, regulations, rules and orders, applicable to this License, the Property or the Permitted Activity, including without limitation all Environmental Laws (defined in Exhibit C attached hereto and incorporated herein by reference. Licensee shall not cause or permit any Hazardous Material (defined in Exhibit C) to be generated, brought onto, used, stored, or disposed of in or about the Property.

(i) Notice of Release or Investigation. If during the term of this Agreement, Licensee becomes aware of (a) any actual or threatened release of any Hazardous Material in, on, under, or about the Property, or (b) any inquiry, investigation, proceeding, or claim by any government agency or other person regarding the presence of Hazardous Material in, on, under, or about the Property, Licensee shall give Successor Agency written notice of the release or investigation within five (5) days after learning of it and shall simultaneously furnish to Successor Agency copies of any claims, notices of violation, reports, or other writings received by Licensee that concern the release or investigation.

(ii) Remediation Obligations. If the presence of any Hazardous Material brought onto the Property by Licensee or Licensee’s agents, employees, invitees, customers, consultants, contractors or subcontractors results in contamination of the Property or any part thereof, Licensee shall promptly take all necessary actions to remove or remediate such Hazardous Materials, whether or not they are present at concentrations exceeding state or federal maximum concentration or action levels, or any governmental agency has issued a cleanup order, at Licensee’s sole expense, to return the Property to the condition that existed before the introduction of such Hazardous Material. Licensee shall first obtain Successor Agency’s approval of the proposed removal or remedial action.

d. Licensee shall not impair or interfere with Successor Agency’s ability to access the Property.

e. Licensee expressly acknowledges and agrees that Successor Agency shall have no obligation to provide security services or fencing, and Licensee's use of the Licensed Premises is at Licensee's own risk.

f. Licensee expressly acknowledges and agrees that Successor Agency has no obligation to maintain or repair the Property, the improvements located thereon, or the Licensed Premises, and Licensee accepts use of the Licensed Premises in its AS-IS condition. Licensee shall videotape the property prior mobilization onto property.

g. Licensee shall, at Licensee's sole cost and expense, maintain the Licensed Premises in its condition existing as of the Effective Date, reasonable wear and tear excepted, and shall keep the Licensed Premises in condition free of debris, litter and graffiti. Without limiting the generality of the foregoing, Licensee shall be responsible for maintaining any landscaping located on the Licensed Premises, and for undertaking at Licensee's sole expense without reimbursement, any necessary repair or resurfacing of paved surfaces on the Licensed Premises and any repair or maintenance of fencing and lighting. Licensee shall be responsible for payment of all utilities serving the Licensed Premises. Licensee shall take reasonable steps to ensure that access to the Licensed Premises is limited to Licensee and Licensee's agents, employees, contractors and subcontractors. At Licensee's sole expense without reimbursement, Licensee shall install and maintain security fencing around the perimeter of the Antoinette Lane Licensed Premises throughout the term of this Agreement.

h. Successor Agency shall have the right at all times during the term of this Agreement to enter upon and to inspect the Licensed Premises to ensure compliance with this Agreement.

i. Existing improvements to the Licensed Premises shall be restored to existing or better condition. Improvements shall include, but not be limited to, pavement, curbs, gutters, sidewalks, storm and sanitary sewer facilities, public utilities, surface improvements, landscaping, and lighting. Licensee shall be responsible for cleanup of any contamination by regulated substances introduced to the site by Licensee's activities on the Licensed Premises. Prior to the expiration of the term of this Agreement (as such may be extended pursuant to Section 2.1), at Licensee's sole cost and expense, Licensee shall remove all vehicles, equipment, materials and personal property from the Licensed Premises and shall restore the Licensed Premises to its condition existing as of the Effective Date, reasonable wear and tear excepted ("**Original Condition**"). If Licensee fails to comply with the foregoing, Successor Agency shall have the right to remove all vehicles, equipment, materials and personal property from the Licensed Premises and to restore the Licensed Premises to Original Condition, and Licensee shall be obligated to pay Successor Agency for all costs incurred by Successor Agency in connection with such removal and restoration within five (5) business days following receipt of Successor Agency's invoice therefor.

j. All lay down and staging areas shall be fenced to prevent public access and screened from public view. Prior to storing materials on the Licensed Premises, Licensee shall, at Licensee's sole expense without reimbursement, screen from view the portion of the Licensed Premises that fronts along Antoinette Lane and the portion of the Licensed Premises

that faces the Chestnut Avenue located to the south of the Property. Screening materials shall be approved by Successor Agency, which approval will not be unreasonably withheld. Licensee shall provide sound reading information to the Successor Agency.

k. Licensee shall coordinate with private owners adjacent to the project site to minimize impacts due to construction. Licensee shall notify all nearby residents and businesses affected by the work within 300 feet of the project site. Notifications shall include at a minimum: work hours, Licensee contact information, brief description of the work, and project duration. A copy of the notices shall be provided to the Successor Agency for review prior to distribution.

l. Use of the Property is limited to Licensee's employees, consultants and contractors and is limited to construction hours (7 a.m. through 8 p.m. Monday through Saturday, unless otherwise approved by the Public Works Director or authorized representative. Except, for that portion of work scheduled as night work 10 p.m. to 6 a.m. Sunday through Thursday as dictated by Caltrans Permit. Any weekend work shall be approved by the City Director of Public Works. Weekend hours shall comply with the SSF Municipal Code. Without limiting the generality of the foregoing, no overnight parking shall be permitted on the Property. Licensee estimates that the Parking Lot will be used for approximately thirty-five (35) vehicles during construction hours.

5. Indemnification. Licensee agrees to indemnify, defend (with counsel approved by City) and hold the City, the Successor Agency, and their respective elected and appointed officers, officials, employees, agents and representatives (all of the foregoing collectively "**Indemnitees**") harmless from and against all liability, loss, cost, claim, demand, action, suit, legal or administrative proceeding, penalty, deficiency, fine, damage and expense (including, without limitation, reasonable attorneys' fees and costs of litigation) (all of the foregoing collectively "**Claims**") resulting from or arising in connection with use of the Property or the improvements located thereon by Licensee or Licensee's agents, employees, invitees, contractors or subcontractors, including without limitation, Claims arising as a result of or in connection with any release of any Hazardous Material in, on, under or about the Property by Licensee, or Licensee's agents, employees, invitees, contractors, or subcontractors, or any other violation of any Environmental Law by Licensee or Licensee's agents, employees, invitees, contractors or subcontractors, except and to the extent caused solely by the gross negligence or willful misconduct of any of the Indemnitees. Licensee's indemnification obligations set forth in this Section 5 shall survive the expiration or earlier termination of this Agreement.

6. Release of Claims. Licensee hereby waives, releases, and discharges forever the Indemnitees from all present and future Claims arising out of or in any way connected with entry upon or use of the Property and the improvements located thereon by Licensee or Licensee's agents, employees, invitees, contractors or subcontractors, including without limitation all Claims arising in connection with any injury to persons or damage to or theft of vehicles, equipment, materials, or any other personal property, except and to the extent caused solely by the gross negligence or willful misconduct of any of the Indemnitees. The provisions of this Section 6 shall survive the expiration or earlier termination of this Agreement.

7. Insurance. Throughout the term of this License, Licensee shall maintain a commercial general liability policy in the amount of at least Two Million Dollars (\$2,000,000) combined single limit, or such other policy limit as Successor Agency may require in its reasonable discretion, including coverage for bodily injury, property damage and contractual liability coverage. Such policy or policies shall be written on an occurrence basis, shall be issued by an insurance carrier licensed to do business in the State of California with current A.M. Best's rating of no less than A: VII, and shall name the City, the Successor Agency and the Indemnitees as additional insureds.

Throughout the term of this License, Licensee shall maintain a comprehensive automobile liability coverage in the amount of at least Two Million Dollars (\$2,000,000), combined single limit including coverage for owned, non-owned and leased vehicles.

Automobile liability policies shall name the Indemnitees as additional insureds. Throughout the term of this License, Licensee shall maintain worker's compensation insurance in the amount required under applicable state law, covering Licensee's employees, if any, at work at the Licensed Premises or engaged in services or operations in connection with the Permitted Activity.

Prior to the Effective Date, Licensee shall furnish Successor Agency with certificates of insurance in form acceptable to Successor Agency evidencing the required insurance coverage and duly executed endorsements evidencing such additional insured status. The certificates shall contain a statement of obligation on the part of the carrier to notify Successor Agency of any material change, cancellation, termination or non-renewal of the coverage at least thirty (30) days in advance of the effective date of any such material change, cancellation, termination or non-renewal, except in the event of non-payment of premium a ten (10) day notice will be provided. Coverage provided by Licensee shall be primary insurance and shall not be contributing with any insurance, or self-insurance maintained by City or Successor Agency, and the policies shall so provide. The insurance policies shall contain a waiver of subrogation for the benefit of the City and Successor Agency. Licensee shall provide Successor Agency with certified copies of the required insurance policies upon Successor Agency's request.

8. Notices. Except as otherwise specified in this Agreement, all notices to be sent pursuant hereto shall be made in writing, and sent to the Parties at the addresses specified below, or such other address as a Party may designate by written notice delivered to the other Party in accordance with this section. All such notices shall be sent by:

(a) personal delivery, in which case notice shall be deemed delivered upon receipt;

(b) certified or registered mail, return receipt requested, in which case notice shall be deemed delivered two (2) business days after deposit, postage prepaid in the United States mail;

(c) nationally recognized overnight courier, in which case notice shall be deemed delivered one (1) day after deposit with such courier; or

(d) facsimile transmission, in which case notice shall be deemed delivered on transmittal, provided that a transmission report is generated reflecting the accurate transmission thereof.

Successor Agency: Successor Agency to the Redevelopment Agency of the City of South San Francisco
400 Grand Ave.
South San Francisco, CA 94080
Attn: Barry Nagel, Executive Director
Telephone: (650) 877-8500

Licensee: Jenice Montes
Pacific Gas and Electric Company
1850 Gateway Blvd, #7043A
Concord, CA 94520

For communications relating to this Agreement, Licensee's local contact is Jenice Montes telephone 925-270-2232.

9. Entire Agreement; Amendments. This Agreement together with Exhibits A through D attached hereto and incorporated herein by reference, constitutes the entire agreement of the Parties with respect to the subject matter hereof, and supersedes all prior written or oral agreements, understandings, representations or statement with respect thereto. This Agreement may be amended only by a written instrument executed by the Parties hereto.

10. Severability. If any term, provision, or condition of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement shall continue in full force and effect unless the rights and obligations of the Parties have been materially altered or abridged thereby.

11. Waiver. A waiver by either Party of the performance of any covenant or condition herein shall not invalidate this Agreement nor shall the delay or forbearance by either party in exercising any remedy or right be considered a waiver of, or an estoppel against, the later exercise of such remedy or right. No waiver of any breach of any covenant or provision of this Agreement shall be deemed a waiver of any subsequent breach of the same or any other covenant or provision hereof. No waiver shall be valid unless in writing and executed by the waiving Party.

12. Captions; Interpretation. The section headings used herein are solely for convenience and shall not be used to interpret this Agreement. The provisions of this Agreement shall be construed as a whole according to their common meaning, and not strictly for or against any party, in order to achieve the objectives and purposes of the Parties.

13. Attorneys' Fees. In any action at law or in equity, arbitration or other proceeding arising in connection with this Agreement, the prevailing party shall recover reasonable

attorney's fees and other costs, including but not limited to court costs and expert and consultants' fees incurred in connection with such action, in addition to any other relief awarded.

14. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be an original and all of which together shall constitute one agreement.

15. Governing Law. This Agreement, and the rights and obligations of the Parties, shall be governed by and interpreted in accordance with the laws of the State of California without regard to principles of conflicts of law. Any action to enforce or interpret this Agreement shall be filed in the Superior Court of San Mateo County, California or in the Federal District Court for the Northern District of California.

16. No Assignment; No Third Party Beneficiaries. The rights granted hereby are personal to the Licensee and may not be transferred or assigned by operation of law or otherwise without the written consent of Successor Agency . Nothing in this Agreement is intended to or shall confer upon any person other than the Parties any rights or remedies hereunder.

17. Time is of the Essence. Time is of the essence for each condition, term, obligation and provision set forth in this Agreement.

18. Possessory Interest. Licensee acknowledges that this License may create a possessory interest subject to property taxation, and that Licensee may be subject to the payment of property taxes on such interest.

SIGNATURES ON FOLLOWING PAGE(S)

IN WITNESS WHEREOF, the Parties have executed this License Agreement as of the date first written above.

LICENSEE:

Pacific Gas and Electric, a California Corporation

By: 
Christopher Medders, Manager - Land Acquisition

SUCCESSOR AGENCY:

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SOUTH SAN FRANCISCO, a public entity

By: _____

ATTEST:

Secretary

APPROVED AS TO FORM:

Successor Agency Counsel

Exhibit A

ANTOINETTE LANE PROPERTY

(Attach legal description and map of Antoinette Lane Property.)

The land referred to is situated in the County of San Mateo, City of South San Francisco, State of California, and is described as follows:



**PG&E Laydown Yard
License Area
APNs 093-312-050 & 060**

Exhibit B

ANTOINETTE LANE LICENSED PREMISES

Exhibit C

DEFINITION OF HAZARDOUS MATERIAL, ENVIRONMENTAL LAWS

As used in this License, the term "**Hazardous Material**" means any chemical, compound, material, mixture, or substance that is now or may in the future be defined or listed in, or otherwise classified pursuant to any Environmental Laws (defined below) as a "hazardous substance", "hazardous material", "hazardous waste", "extremely hazardous waste", "infectious waste", "toxic substance", "toxic pollutant", or any other formulation intended to define, list or classify substances by reason of deleterious properties such as ignitability, corrosivity, reactivity, carcinogenicity, or toxicity. The term "hazardous material" shall also include asbestos or asbestos-containing materials, radon, chrome and/or chromium, polychlorinated biphenyls, petroleum, petroleum products or by-products, petroleum components, oil, mineral spirits, natural gas, natural gas liquids, liquefied natural gas, or synthetic gas usable as fuel, perchlorate, and methy tert butyl ether, whether or not defined as a hazardous waste or hazardous substance in the Environmental Laws.

As used in this License, the term "**Environmental Laws**" means any and all federal, state and local statutes, ordinances, orders, rules, regulations, guidance documents, judgments, governmental authorizations or directives, or any other requirements of governmental authorities, as may presently exist, or as may be amended or supplemented, or hereafter enacted, relating to the presence, release, generation, use, handling, treatment, storage, transportation or disposal of Hazardous Materials, or the protection of the environment or human, plant or animal health, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986 (42 U.S.C. § 9601), the Hazardous Materials Transportation Act (49 U.S.C. § 1801 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. § 6901 et seq.), the Federal Water Pollution Control Act (33 U.S.C. § 1251 et seq.), the Clean Air Act (42 U.S.C. § 7401 et seq.), the Toxic Substances Control Act (15 U.S.C. § 2601 et seq.), the Oil Pollution Act (33 U.S.C. § 2701 et seq.), the Emergency Planning and Community Right-to-Know Act (42 U.S.C. § 11001 et seq.), the Porter-Cologne Water Quality Control Act (Cal. Water Code § 13000 et seq.), the Toxic Mold Protection Act (Cal. Health & Safety Code § 26100, et seq.), the Safe Drinking Water and Toxic Enforcement Act of 1986 (Cal. Health & Safety Code § 25249.5 et seq.), the Hazardous Waste Control Act (Cal. Health & Safety Code § 25100 et seq.), the Hazardous Materials Release Response Plans & Inventory Act (Cal. Health & Safety Code § 25500 et seq.), and the Carpenter-Presley-Tanner Hazardous Substances Account Act (Cal. Health and Safety Code, Section 25300 et seq.).

Exhibit D

CONDITIONS OF APPROVAL

The following conditions shall be incorporated into the License Agreement. Most of these conditions are also being incorporated into the encroachment permit that will cover work on Antoinette Lane.

1. All lay down and staging areas shall be fenced to prevent public access and screened from public view.
2. Licensed Premises operation hours shall be weekdays from 8:00 a.m. to 8:00 p.m. unless otherwise approved by the City Engineer or authorized representative. Any weekend work shall be approved by the City Director of Public Works. Weekend hours shall comply with the SSF Municipal Code.
3. Licensee shall coordinate with private owners adjacent to the project site to minimize impacts due to construction. Licensee shall notify all nearby residents and businesses affected by the work within 300 feet of the project site. Notifications shall include at a minimum: work hours, Licensee contact information, brief description of the work, and project duration. A copy of the notices shall be provided to the Successor Agency for review prior to distribution.
4. Licensee shall incorporate all storm water pollution control measures required by an approved storm water pollution prevention plan. Licensee shall employ adequate dust control measures to ensure that neighboring businesses and residences are not adversely impacted by Licensee's activities on the Licensed Premises.
5. Existing improvements to the Licensed Premises shall be restored to existing or better condition. Improvements shall include, but not be limited to, pavement, curbs, gutters, sidewalks, storm and sanitary sewer facilities, public utilities, surface improvements, landscaping, and lighting. Licensee shall be responsible for cleanup of any contamination by regulated substances introduced to the site by Licensee's activities on the Licensed Premises.